

**ASSEMBLY BILL**

**No. 2434**

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**Introduced by Assembly Member Gomez**

February 21, 2014

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An act to add Sections 17138.2 and 24308.2 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 2434, as introduced, Gomez. Income taxes: exclusion.

The Personal Income Tax Law provides an exclusion from gross income for any amount received as a rebate from a local water agency or supplier for the purchase of a water conservation water closet, energy efficient clothes washers, and plumbing devices, as specified. The Corporation Tax Law provides exclusion from gross income for any rebate, voucher, or other financial incentive issued by the California Energy Commission, The public Utility Commission, or a local publicly owned electric utility for any expense incurred by a taxpayer for the purchase or installation of a thermal system, solar system, wind energy device that produces electricity, or a fuel cell generating system.

This bill would, under both of these laws, provide an exclusion from gross income any amount received as a rebate, voucher, or other financial incentive issued by a local water or energy agency or supplier for expenses incurred to participate in a water or energy conservation program.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1     SECTION 1. Section 17138.2 is added to the Revenue and  
2     Taxation Code, to read:  
3     17138.2. Gross income does not include any amount received  
4     as a rebate, voucher, or other financial incentive issued by a local  
5     water or energy agency or supplier for expenses incurred to  
6     participate in a water or energy conservation program.  
7     SEC. 2. Section 24308.2 is added to the Revenue and Taxation  
8     Code, to read:  
9     24308.2. Gross income does not include any amount received  
10    as a rebate, voucher, or other financial incentive issued by a local  
11    water or energy agency or supplier for expenses incurred to  
12    participate in a water or energy conservation program.  
13    SEC. 3. This act provides for a tax levy within the meaning of  
14    Article IV of the Constitution and shall go into immediate effect.